

NOTICE OF SALE

\$16,540,486 REFUNDING NOTES (REAL PROPERTY TAX APPEAL), SERIES 2009A

ELECTRONIC PROPOSALS will be received and announced by the Chief Financial Officer of The City of Jersey City, a municipal corporation of the State of New Jersey located in the County of Hudson, New Jersey (the "City"), at City Hall, 280 Grove Street, Jersey City, New Jersey 07302, in an open auction (utilizing the "two-minute rule") in the manner described herein, on Thursday, June 11, 2009 (unless postponed and rescheduled as provided herein) beginning at 12:00 p.m. until 12:15 p.m., prevailing local time, (unless extended by the two-minute rule described herein) through a fair and open process in accordance with N.J.S.A. 40A:2-27, for the purchase, at not less than par, of the City's \$16,540,486 Refunding Notes (Real Property Tax Appeal), Series 2009A ("Notes") through a fair and open process in accordance with N.J.S.A. 19A:44A-20.5 and N.J.S.A. 40A:2-28.

All Bids (as defined below) must be submitted in their entirety on Grant Street Group's MuniAuction website ("MuniAuction") prior to 12:15 p.m., New Jersey time on June 11, 2009, unless otherwise extended by the two minute rule described herein (see "Bidding Details"). The auction will begin at 12:00 p.m., New Jersey time on June 11, 2009 (the "Bid Date"). To bid via MuniAuction, Bidders (as defined below) must have both (1) completed the registration form on either MuniAuction or Grant Street Group website (parent of MuniAuction, herein referred to as "Grant Street") and (2) requested and received admission to the City's auction, as described herein. The use of MuniAuction shall be at the Bidder's risk and expense, and the City shall have no liability with respect thereto.

All bidders for the Notes must be participants of the Depository Trust Company, New York, New York ("DTC") or affiliated with its participants. The Notes will be issued in the form of one certificate for the aggregate principal amount of Notes maturing in each year and will be payable as to both principal and interest in lawful money of the United States of America. Each certificate will be registered in the name of Cede & Co., as nominee of DTC, which will act as Securities Depository. The certificate will be deposited with DTC which will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof through book entries made on the books and records of DTC and its participants.

Bids submitted must offer to purchase all of the Notes and the purchase price specified in the proposal must be not less than \$16,540,486. Bids must state a multiple of one-hundredth (1/100 of 1%) or one-eighth (1/8 of 1%) of a rate or rates of interest per annum which such Notes shall bear. The Notes will bear interest at a rate or rates within the limits prescribed by law and the interest is payable at maturity. No proposal for less than par will be considered. Award of the Notes is expected to be made promptly after opening of the bids, but the successful bidder

may not withdraw its proposal until two hours after the time set forth above on the day of such bid opening and then only if such award has not been made prior to the withdrawal. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes are not subject to redemption prior to their maturity. The Notes will be delivered on June 25, 2009 at the offices of Bond Counsel, 428 River View Plaza, Trenton, New Jersey 08611 or at another mutually agreed location, and the opinion of Bond Counsel will be furnished without charge to the purchaser. **The Notes shall be dated June 25, 2009 and shall mature on June 25, 2010.**

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. One note certificate for the Notes will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book-entry system will evidence ownership of the Notes in authorized denominations or any multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to the delivery of the Notes, shall be required to deposit the note certificates with DTC, registered in the name of Cede & Co., its nominee. The principal of and interest on the Notes will be payable to DTC or its nominee as registered owner of the Notes. Transfer of principal and interest to participants of DTC will be the responsibility of DTC and transfer of principal and interest to beneficial owners of the Notes by DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Notes, or (b) the Chief Financial Officer of the City determines that continuation of the book-entry system of evidence and transfer of ownership of the Notes would adversely affect the interests of the beneficial owners of the Notes, the City will discontinue the book-entry system with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City will issue replacement notes in the form of bearer notes to be delivered to the beneficial owners of the Notes as shown on the records of DTC.

To bid by MuniAuction, Bidders must first visit MuniAuction where, if they have never registered with either MuniAuction or Grant Street, they can register and then request admission to bid on the Notes. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only FINRA registered broker-dealers or dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with MuniAuction may call MuniAuction at (412) 391-5555 (Auction Support) for their ID Number or password. Rules governing the sale and the rules applicable to MuniAuction are available in the Full Notice of Sale at www.muniauction.com.

Bidders should be aware of the following bidding details associated with the sale of the Notes:

- (1) All Bids must be submitted on the MuniAuction website at www.GrantStreet.com. **No telephone, telefax, telegraph or personal delivery Bids will be accepted.**

- (2) All Bids for the Notes must be submitted on an “All or None” basis.
- (3) Bidders are only permitted to submit Bids for the Notes auction during the bidding period.
- (4) If any Bid on the auction becomes a leading Bid two (2) minutes, or less, prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such Bid was received by MuniAuction. The auction end time will continue to be extended, indefinitely, until a single leading Bid remains the leading Bid for at least two (2) minutes.
- (5) Bidders may change and submit Bids as many times as they like during the bidding time period; provided however, each and any Bid submitted subsequent to a Bidder’s initial Bid must result in a lower net interest cost when compared to the immediately preceding Bid of such Bidder. In the event that the revised Bid does not produce a lower net interest cost, the prior Bid will remain valid.
- (6) The last Bid submitted by a Bidder before the end of the bidding time period will be compared to all other final Bids submitted by others to determine the winning Bidder or Bidders.
- (7) During the bidding, no Bidder will see any other Bidder’s Bid, but Bidders will be able to see the ranking of their Bid relative to other Bids (i.e., “Leader,” “Cover,” “3rd,” etc.).

The rules of MuniAuction (the “Rules”) can be viewed on MuniAuction and are incorporated herein by reference. Bidders must comply with the Rules in addition to the requirements of this Notice of Sale. To the extent there is a conflict between the Rules and this Notice of Sale, this Notice of Sale shall control. The Rules include the following:

- (1) A Bidder submitting a Winning Bid is irrevocably obligated to purchase the Notes at the rates and prices of the Winning Bid, if acceptable to the City, as set forth in the related Notice of Sale. **Winning Bids are not officially awarded to the Bidder until formally accepted by the City.**
- (2) Neither the City, the City’s Bond Counsel, the City’s Financial Advisor, nor MuniAuction (the “Auction Administrator”) is responsible for technical difficulties that result in loss of Bidder’s internet connection with MuniAuction, slowness in transmission of Bids, or other technical problems.
- (3) If for any reason a Bidder is disconnected from MuniAuction’s Auction Page during the auction after having submitted a Winning Bid, such Bid

is valid and binding upon the Bidder, unless the City exercises its right to reject Bids, as set forth herein.

- (4) Bids which generate error messages are not accepted until the error is corrected and the Bid is received prior to the deadline.
- (5) Bidders accept and agree to abide by all terms and conditions specified in this Notice of Sale (including amendments, if any) related to each auction.
- (6) Neither the City, the City's Bond Counsel, the City's Financial Advisor, nor the Auction Administrator is responsible to any Bidder for any defect or inaccuracy in this Notice of Sale, amendments, or Preliminary Official Statement as they appear on MuniAuction.
- (7) Only Bidders who request and received admission to an auction and who have submitted a Deposit as required by the terms of this Notice of Sale may submit Bids. The City's Bond Counsel and the Auction Administrator reserve the right to deny access to MuniAuction to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.
- (8) Neither the City, the City's Bond Counsel, the City's Financial Advisor, nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's MuniAuction password.
- (9) If two (2) Bids are submitted in the auction by the same or two or more different Bidders and result in the same net interest cost, the first confirmed Bid received by MuniAuction prevails. Any change to a submitted Bid constitutes a new Bid, regardless of whether there is a corresponding change in net interest cost.
- (10) Bidders must compare their final Bids to those shown on the Observation Pages immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Pages they must report them to MuniAuction within fifteen (15) minutes after the bidding time period ends. Regardless of the final results reported by MuniAuction, Notes are definitively awarded to winning Bidders only upon official award by the City. If, for any reason, the City fails to (i) award Notes to the winning Bidder reported by MuniAuction, or (ii) deliver Notes to the winning Bidders at settlement, neither the Bond Counsel nor the Auction Administrator will be liable for damages.

The following terms shall have the following respective meanings:

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| “Bid” | any confirmed purchase offer received by MuniAuction on or before the auction deadline. |
| “Bidder” | any firm registered with either MuniAuction or Grant Street and approved for participation in auctions. |
| “Winning Bid” | any purchase offer made by a Bidder by clicking the “Submit Bid” button and received by MuniAuction which, at the end of the bidding time period, results in the lowest net interest cost which is acceptable to the City. |

CUSIP identification numbers will be printed on the Notes if the Chief Financial Officer is provided with such numbers by the close of business on the day immediately following the Sale Date of the Notes, but neither the failure to print such number on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery and pay for the Notes in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

Upon delivery of and payment for the Notes, the purchaser will be furnished without cost with the approving legal opinion of Bond Counsel to the City, to the effect that the Notes are valid and legally binding general obligations of the City, for the payment of which the City has validly pledged its faith and credit, and, unless paid from other sources, the City shall be obligated to levy ad valorem taxes upon all the taxable property with the City for the payment of the principal of and interest on the Notes, without limitation as to rate or amount. Said opinion of Bond Counsel will also state that (a) assuming continuous compliance by the City with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), under laws, regulations, rulings and judicial decisions existing on the date of original issuance of the Notes (i) the interest which is received by the holders of the Notes will be excludable from gross income for federal income tax purposes and will not be treated as a tax preference item for purposes of the alternative minimum tax imposed by Section 55 of the Code, however, interest on the Notes may become taxable retroactively if certain requirements of the Code are not complied with; and (ii) the interest on the Notes and gain from the sale thereof are excludable from New Jersey gross income under the New Jersey Gross Income Tax Act.

The successful bidder of the Notes may at its option refuse to accept the Notes if prior to their delivery the Non-Arbitrage Certificate (the “Certificate”) in form and tenor satisfactory to Bond Counsel is not delivered or, if any income tax law of the United States of America is enacted prior to the delivery of the Notes which shall provide that the interest thereon is taxable, or shall be taxable at a future date for Federal income tax purposes, and in any such case such purchaser will be relieved from the contractual obligation arising from the acceptance of the proposal.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excludable from gross

income under Section 103 of the Code. As part of the City's contractual obligation arising from its acceptance of the successful bidder's proposal, the City will furnish the successful bidder concurrently with the delivery of the Notes with its Certificate, which will contain provisions and procedures relating to compliance with the requirements of the Code and a certification to the effect that the City will comply with the provisions and procedures set forth therein, and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Notes is excludable from gross income under Section 103 of the Code. In the opinion of Bond Counsel, the Certificate sets forth provisions and procedures under which such requirements of the Code can be met.

Under the Code, interest on the Notes is to be taken into account in the computation of certain taxes that may be imposed with respect to corporations, including without limitation, the alternative minimum tax and the foreign branch profits tax. In addition, under the Code, an individual who owns the Notes may be required to include in gross income a portion of his or her Social Security or railroad retirement payments. Owners of the Notes should consult their tax advisor with respect to the computation of alternative minimum tax or foreign branch profits tax liability, or the exclusion of Social Security or other retirement payments in gross income.

It is the policy of the City that Minority Business Enterprises ("MBE") and Women's Business Enterprises ("WBE") shall have the maximum opportunity to participate in the performance of City contracts. Bidders are requested to make a good faith effort to meet these goals by either joint ventures with MBE/WBE firms or include such firms in their management group or syndicate. For such purposes, a MBE/WBE firm is a firm (i) that is at least 51% owned by one or more minority persons or women or, in the case of any firm whose stock is publicly held, at least 51% of the stock is owned by one or more minority persons or women and (ii) whose management and daily business operations are controlled by one or more minority persons or women.

The Notes are not designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

The successful bidder of the Notes will be required to furnish prior to the delivery of the Notes a certificate acceptable to Bond Counsel setting forth information with respect to the Notes including the "issue price" of the Notes within the meaning of Section 1273 of the Code.

A Preliminary Official Statement has been prepared and is available on MuniAuction at www.GrantStreet.com. Potential bidders may also obtain a copy of the Preliminary Official Statement by contacting the undersigned Chief Financial Officer at the above address, telephone number (201) 547-4964.

To enable the successful bidder to comply with the Securities and Exchange Commission Rule 15c2-12 (the "Rule"), after the award of the Notes and within five business days following receipt by the City of written advice from the successful bidder of the full name or names of the successful bidder (if the same cannot be readily ascertained from the bid form submitted thereby), the offering price of the Notes and the amount of selling compensation realized, the City will furnish thereto, in reasonable quantities as required, copies of said Preliminary Official

Statement, updated as necessary, and supplemented to include the offering price (or prices), interest rate, the amount of selling compensation realized by the successful bidder, and, the identity of such successful bidder. Failure by the successful bidder to provide, or delay by the successful bidder in providing, such information will prevent the City from furnishing such Preliminary Official Statement as described above, and the City shall not be responsible or liable in any manner for the accuracy of the information provided by the successful bidder or failure to furnish such Preliminary Official Statement as described above which results from a failure by the successful bidder to provide the aforementioned information within the time specified. Acceptance by the successful bidder of such final Preliminary Official Statement shall be conclusive evidence of the satisfactory completion of the obligations of the City with respect to the preparation and delivery thereof. The successful bidder shall notify the City of the date which is the end of the underwriting period within the meaning of the Rule.

The City has agreed to provide or cause to be provided, in accordance with the requirements of the Rule timely notice of the occurrence of certain material events with respect to the Notes and in accordance with the Continuing Disclosure Undertaking stated in the Preliminary Official Statement. The City is in compliance with all previous undertakings made pursuant to the Rule, to the extent applicable.

The obligations hereunder to deliver or accept the Notes pursuant hereto shall be conditioned on the availability to the successful bidder at the time of delivery of the Notes of said approving legal opinion; of certificates in form and tenor satisfactory to Bond Counsel evidencing the proper execution and delivery of the Notes and receipt of payment therefor and including a statement, dated as of the date of delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened relating to the Notes. At the time of delivery of the Notes, the City shall deliver the certificates and Jersey documents described under the heading "Closing Certificates" in the Preliminary Official Statement.

The successful bidder of the Notes is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c.271, s.3) if the successful bidder enters into agreements or contracts, such as its agreement to purchase the Notes, with a public entity, such as the City and receives compensation or fees in excess of \$50,000 in the aggregate from public entities, such as the City, in a calendar year. It is the successful bidder's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

Dated: June 1, 2009

/s/ Donna Mauer
Chief Financial Officer
City of Jersey City, in the County of Hudson, New Jersey